



GOVERNMENT OF ANDHRA PRADESH
A B S T R A C T

Induction of Banks for conduct of State Government Business – Handling of Tax Business – Entrustment of collection of Commercial Taxes/VAT and refunds to Kotak Mahindra Bank, through e-payment mode in all divisions of the State of Government of Andhra Pradesh for a period of One year from 01.12.2012 to 30.11.2013 in relaxation of S.R. 27 under T.R.16 of A.P. Treasury Code Volume-I – Orders – Issued.

FINANCE (TFR) DEPARTMENT

G.O.Ms.No. 296,

Dated: 12-11-2012.
Read the following:-

- 1.** G.O.Ms.No.177, Finance (TFR.I) Dept., dt:15-7-2005.
- 2.** G.O.Ms.No.224, Finance (TFR.I) Dept., dt:12-9-2005.
- 3.** G.O.Ms.No.72, Finance (TFR.I) Dept., dt:31-3-2007.
- 4.** Letter No.KMBL/HYD/TBG-CMS/2012-13, dt:11-04-2012 of Vice-President & Regional Head South, CMS Transaction Banking Group, Kotak Mahindra Bank Somajiguda, Hyd.
- 5.** From the Commissioner of Commercial Taxes, A.P.Hyderabad letter. CCTs.Ref.No. CS(1)/483/2006, dated 19.04.2012.
- 6.** U.O.No.18340/CT.II (1)/2012-1, dt:21/5/2012 of Revenue Department.
- 7.** This Department letter No.4969/64/TFR/2012, dated 01.06.2012 addressed to the Reserve Bank of India, Hyderabad.
- 8.** From the Manager, RBI letter No.PAD(H)/No/992/01.01.004/2012-13, dt: 3.09.12.
- 9.** From the DTA., A.P., Hyderabad Lr.No.MII/8357/2012, dt:15/10/2012.

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O R D E R:

Based on the recommendations of the State Government in the references 5th to 7th read above, the Reserve Bank of India, in the reference 8th read above has authorized the Kotak Mahindra Bank Limited to undertake Government business in all divisions of the State of Government of Andhra Pradesh for collection of Commercial Taxes/A.P.V.A.T. and refunds on behalf of Government of Andhra Pradesh through e-payment mode subject to the condition that the existing system for reporting of State Government transactions to Reserve Bank of India will be kept unchanged.

2. Under the new A.P. Value Added Tax Act and Rules, a monthly refund may be required and such frequent refunds may be difficult to implement under Treasury Rules. It is not possible to apply SR.27 TR.16 to VAT if monthly refunds are to be provided to dealers. The Revenue Department has proposed to entrust refunds of Plastic VAT Dealers under A.P.VAT Act through the Kotak Mahindra Bank Limited.

3. In the reference 9th read above, the Kotak Mahindra Bank Limited has entered into Memorandum of Understanding with Director of Treasuries and Accounts, A.P., Hyderabad for collection of Commercial Taxes/A.P.V.A.T. and refunds on behalf of Government of Andhra Pradesh through e-payment mode.

4. Government after careful consideration of the matter, hereby entrust the work of collection of Commercial Taxes, A.P.V.A.T. and refunds to Kotak Mahindra Bank Limited through e-payment mode in all divisions of the State of Government of Andhra Pradesh for a period of one year from 01.12.2012 to 30.11.2013 in relaxation of S.R.27 under T.R. 16 of A.P.Treasury Code Volume-I with the following conditions:

- i) The Revenue Department and the Commissioner of Commercial Taxes Department shall establish connectivity between Commercial Tax Department, Kotak Mahindra Bank Limited enabling efficient collection of taxes as ordered in G.O.Ms.No.72, Finance (TFR.I) Department, dated 31.03.2007.

[p.t.o]

- ii) Keeping in view of the importance of collection of revenue it is imperative that the funds are collected efficiently and passed on to the Government in the minimum possible time. To monitor this aspect the bank collecting commercial taxes on behalf of the Government shall submit a report (as per proforma-I in annexure to G.O.Ms.No.224, Finance (TFR.I) Dept. dated 12.09.2005 appended to this order on weekly basis, to Finance (DCM.I) Department containing the information regarding daily collection of tax, the date of remittance of tax proceeds to the Government account and reasons for any delay of credit to the Government account and refund of tax. Further, details of the cheques above Rs.1.00 lakh remitted by dealers as commercial tax such as the date of presentation of the cheque by the dealer to the bank, date on which the proceeds of the said cheque are remitted to the Government account and reasons for any delay should be reported on a weekly basis (as per proforma-II to G.O.Ms.No.224, Finance (TFR.I) Dept. dated 12.09.2005 appended to this order) to Finance (DCM.I) Department.
- iii) The Banks shall submit the data in the electronic form by adopting the software already designed by the Government.
- iv) For all other refunds including those under APGST Act and other refunds of VAT Dealers, the procedure already prevailing shall be continued as ordered, in the reference 1st read above.

5. The Commissioner of Commercial Taxes, Andhra Pradesh, Hyderabad is requested to monitor the transactions of the above Bank and ensure that the amount collected is credited without any delay and refunds made are genuine and authorized.

6. The Banks are liable for any unauthorized refunds made by them as determined by the Commissioner of Commercial Taxes, Andhra Pradesh.

7. These orders are also available in Andhra Pradesh Government Website <http://www.aponline.gov.in> and <http://www.apfinance.gov.in>.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

PUSHPA SUBRAHMANYAM
PRINCIPAL SECRETARY TO GOVERNMENT (IF)

To

The Revenue (CT.II) Department.

The Vice-President & Regional Head-South, Transaction Banking Group,
Kotak Mahindra Bank Limited, Hyderabad.

The Chief General Manager-in-Charge, RBI, Department of Govt. and Bank Accounts, Mumbai.

The General Manager, Reserve Bank of India, Saifabad, Hyderabad.

The Commissioner of Commercial Taxes, A.P.Hyderabad.

The Director of Treasuries and Accounts, A.P.Hyderabad.

The Principal Accountant General (Audit-I) A.P.Hyderabad.

The Principal Accountant General (Audit-II) A.P.Hyderabad.

The Principal Accountant General (A&E) A.P.Hyderabad.

The Finance (Expr.Revenue) Department.

The Finance (BG) Department.

Copy to S.F./S.Cs.

ANNEXURE

(Annexure to G.O.Ms.No. 296 ,Finance (TFR) Department, dt: 12 -11-2012)

Proforma – I

Details of Daily Commercial Tax Collections for the week ended
(to be submitted to Finance (DCM.I) Department)

Name of the Bank

Date	Tax Collected	Tax Refunds	Date of Remittance to State Government Account	Reasons for Delay

Proforma – II

Details of cheques above Rs.1.00 lakh remitted by dealers as payment of commercial taxes for the week ended
(to be submitted to Finance (DCM.I) Department)

Name of the Bank

Cheque No.	Amount	Date of payment of cheque by the dealer to the bank	Date of Remittance of the proceeds of the cheque to State Government Account by the bank	Reasons for Delay